

INSURANCE CODE

TITLE 8. HEALTH INSURANCE AND OTHER HEALTH COVERAGES

SUBTITLE H. HEALTH BENEFITS AND OTHER COVERAGES FOR GOVERNMENTAL
EMPLOYEES

CHAPTER 1576. GROUP LONG-TERM CARE INSURANCE FOR PUBLIC SCHOOL
EMPLOYEES

Sec. 1576.001. DEFINITIONS. In this chapter:

(1) "Active employee" has the meaning assigned by
Section 1575.002.

(2) "Trustee" means the Teacher Retirement System of
Texas.

(3) "Retiree" has the meaning assigned by Section
1575.004.

(4) "Surviving spouse" has the meaning assigned by
Section 1575.003.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.457, eff. Sept.
1, 2003.

Sec. 1576.002. ESTABLISHMENT OF PROGRAM. (a) The trustee
may establish a group long-term care insurance program to provide
long-term care insurance coverage for:

(1) an active employee or retiree;

(2) the spouse of an active employee or retiree,
including a surviving spouse;

(3) a parent or grandparent of an active employee or
retiree; and

(4) a parent of the spouse of an employee or retiree,
including a parent of a surviving spouse.

(b) The trustee may not implement a group long-term care
insurance program unless any cost or administrative burden
associated with the development of, implementation of, or
communications about the program is incidental.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.458, eff. Sept.
1, 2003.

Sec. 1576.003. CONTRACTS TO PROVIDE COVERAGES. The trustee may contract with one or more carriers authorized to provide long-term care insurance to provide that coverage.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.458, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](#)), Sec. 44, eff. September 1, 2005.

Sec. 1576.004. PREMIUMS. (a) The trustee shall determine the procedures by which each program participant pays premiums and any other program costs. Each participant is responsible for required payments.

(b) The trustee may authorize any payment method appropriate for the program, including a payment method under which:

(1) a participating employee is required to pay premiums by payroll deduction remitted by the employee's employer at the times and in the manner determined by the trustee;

(2) a participating retiree is required to pay premiums by deduction from the retiree's monthly annuity; or

(3) a carrier with which the trustee has contracted under Section [1576.003](#) bills a program participant directly.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](#)), Sec. 44, eff. September 1, 2005.

Sec. 1576.005. PROGRAM NOT PART OF OTHER GROUP COVERAGES.

(a) The group long-term care insurance program is not part of the group coverages offered under Chapter [1575](#) or [1579](#).

(b) The state may not contribute any part of the premiums for coverage offered under this chapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](#)), Sec. 45, eff. September 1, 2005.

Sec. 1576.006. RULES. The trustee may adopt rules as necessary to administer this chapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.458, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](#)), Sec. 46, eff. September 1, 2005.

Sec. 1576.007. EXEMPTION FROM STATE TAXES AND FEES. A premium or contribution on a policy, insurance contract, or agreement authorized under this chapter is not subject to any state tax, regulatory fee, or surcharge, including a premium or maintenance tax or fee.

Added by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.459(a), eff. Sept. 1, 2003.

Sec. 1576.008. COMPETITIVE BIDDING REQUIREMENTS; RULES.
(a) A contract to provide benefits under this chapter may be awarded only through competitive bidding under rules adopted by the trustee.

(b) The rules may provide criteria for determining whether a carrier is qualified.

Added by Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](#)), Sec. 47, eff. September 1, 2005.

Sec. 1576.009. CONTRACT AWARD; CONSIDERATIONS. (a) In awarding a contract under this chapter, the trustee is not required to select the lowest bid and may consider any relevant criteria, including a bidder's:

- (1) ability to service contracts;
- (2) past experience; and
- (3) financial stability.

(b) If the trustee awards a contract to a bidder whose bid

deviates from that advertised, the trustee shall record the deviation and fully justify the reason for the deviation in the minutes of the next meeting of the trustee.

Added by Acts 2005, 79th Leg., Ch. 1359 (S.B. 1691), Sec. 47, eff. September 1, 2005.

Sec. 1576.010. GROUP LONG-TERM CARE INSURANCE PROGRAM FUND.

(a) The group long-term care insurance program fund is a trust fund with the comptroller.

(b) The trustee shall administer the fund on behalf of the participants in the plan of insurance coverage provided under this chapter.

(c) The following shall be credited to the fund:

(1) money recovered under contracts for providing insurance coverage under this chapter; and

(2) investment and depository income.

Added by Acts 2005, 79th Leg., Ch. 1359 (S.B. 1691), Sec. 47, eff. September 1, 2005.

Sec. 1576.011. INVESTMENT OF FUND. The trustee may invest the group long-term care insurance program fund in the manner provided by Section 67(a)(3), Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 1359 (S.B. 1691), Sec. 47, eff. September 1, 2005.

Sec. 1576.012. PAYMENTS FROM FUND. Money in the group long-term care insurance program fund may be used only to cover the cost of administering the program and to provide coverage under this chapter.

Added by Acts 2005, 79th Leg., Ch. 1359 (S.B. 1691), Sec. 47, eff. September 1, 2005.

Sec. 1576.013. COVERAGE EXEMPT FROM INSURANCE LAW. A coverage plan provided under this chapter is exempt from any other insurance law, including common law, that does not expressly apply to the plan or this chapter.

Added by Acts 2005, 79th Leg., Ch. 1359 (S.B. 1691), Sec. 47, eff.

September 1, 2005.